Τ	
2	
3	
4	
5	
6	
7	Transcript of Proceedings
8	of Meeting
9	SPACE & MISSILE SYSTEMS CENTER
10	2430 East El Segundo Boulevard
11	El Segundo, California
12	
13	Wednesday, April 4, 2001
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

1	Wednesday, April 4, 2001
2	El Segundo, California
3	* * *
4	
5	GENERAL TATTINI: Good
6	morning.
8	My name is
9	Eugene Tattini. I have the privilege of
10	commanding the Space & Missile Systems
11	Center, which is the organization, United
12	States Air Force organization, that happens
13	to be located at Los Angeles Air Force
14	Base. So you are on an Air Force base that
15	happens to be called Los Angeles Air Force
16	Base that contains an organization called
17	the Space & Missile Systems Center.
18	And on behalf of all of us
19	that live in the general vicinity and work
20	here at L.A. Air Force Base, I'd like to
21	welcome you and thank you all for coming and
22	participating with us this morning.
23	And I would especially
24	like to thank the leaders of the local
25	community that Los Angeles Air Force Base is

1 located in that are here with us today 2 also. Mayor Mike Gordon, the Mayor of El Segundo, is here, and he will have a couple 3 4 words to say. 5 Mr. Bud Cormier, who is 6 city manager of Hawthorne, who is with us also this morning and whose these properties happen to be located in their particular 8 9 communities, and they have been partners with us all along as we have tried to put 10 11 together the concepts that are going to be discussed with you in some detail this 12 13 morning. 14 Let me say just a couple of words about the mission of the 15 Los Angeles Air Force Base and the Space & 16 17 Missile Systems Center. On behalf of the Air 18 Force, we developed almost all of the 19 20 military space-related systems for the 21 Department of Defense. In that regard, we 22 spend, give or take, about \$6 billion a year in what we call contract obligation 23 authorities, and we develop satellite 24

constellations that currently are in support

of military forces around the world, things
like navigational kinds of systems in the
person of our global positioning system that
many of you probably use in your civilian
boats, et cetera.

We deploy all of our

military satellite communications systems,
both very highly survivable and enduring
kinds of things as well as the kinds of
things that we all use in our cell phones
and those kinds of things.

We have attack warning, missile warning attack assessment kinds of constellations that we develop here as well as we are getting now into more esoteric kinds of things in terms of space-based lasers, airborne lasers with directed energy, high-powered microwave types of things. And we also developed the launch systems that put these satellites in orbit.

The reason we are here, if you look around the 405 from what used to be Hughes through the Raytheon, through the Northrop Grumman, through the TRWs, down around the 405 you go around the South Bay

curve and to the Boeing folks in Anaheim, 1 2 the Boeing folks in Seal Beach and all of those different legacy kinds of contractors. 3 4 About 85 cents on every dollar that we put 5 on contract is spent with one of these contractors in the South Bay. A lot of what we do is very, very high tech in nature. We know a 8 lot about space. We know very little about 9 10 developing real estate deals, and at the end 11 of the day what we're about is about people. We have almost 2000 12 13 military, uniformed military people assigned 14 here, about another 1200 Federal civil service folks that are here, and then we're 15 companioned by the Aerospace Corporation, 16 17 which is a nonprofit Federally funded research and development center that's 18 19 located just across the street. They have about another 3,000 employees there, about a 20 21 third of which are located on the East Coast 22 and about two-thirds of which are located 23 here with us. They are the technical engineering arm of what we do here. 24

25

My chore is to take and

provide the men and women that work here as good a working accommodation and as good as we possibly can. We are currently in facilities that are over 40 years old, and while they look nice on the outside, we have tried to keep them up interiorwise, in point in fact the building systems that you all are fairly familiar with are collapsing around us.

I can't tell you what the energy crisis has done to us, the utility bills, in terms of the outmoded kinds of HVAC systems that we have here. I can't tell you how many times I've had to hike up six flights of stairs because the elevators are not working. We have had a number of electrical kinds of problems to include what potentially could have been a very serious fire because of the condition of some of the infrastructure here.

As you drive around this small installation of ours, you will note that all of our pavements are -- have failed, and these are the kinds of things now that we have to fix in order to provide

the kinds of people to do this highly
technical kind of work that I described to
you a great place to work and a great place
to live.

We have fixed the living part of it through The Congress. We have some of the best military family housing that's available anywhere in the United States here in Los Angeles located some 17 miles down the road here at an army post called Fort MacArthur. We have got that portion done. Now we have to fix the working portion of it.

The bottom line is that these facilities are not seismic compliant, and we are parlaying that in terms of safety and in terms of new facilities into some Congressionally-sponsored legislation that now allows us in a very simple manner to trade real estate for new facilities. And that's the bottom line of where we are with this.

Congressman Kuykendall in fact sponsored that legislation. It was passed into law. We now have the authority

1	to do that.
2	Congresswoman Harman has
3	been briefed on all of this. Jane is a very
4	enthusiastic supporter of what we're about
5	here, and so the chore now is to see with
6	your help and with the help of the local
7	community, to see whether or not we can make
8	a deal, and that's where we are.
9	I will be with my folks
10	all the way through this process. This has
11	been about an 18-month process in getting
12	this the legislation done. It's been
13	about a four-year process in terms of coming
14	up with this kind of a very innovative
15	approach in terms of what the United States
16	Air Force and the government has been
17	allowed to do with some of their lands.
18	And I think, as
19	Lieutenant Colonel Bridgewater and some of our staff
20	goes through a lot of the detail, you can
21	understand, if you'll think about
22	Congressional committees and think about the
23	power of the authorization and a
24	appropriations portions of those particular
25	committees, and then think about what they

have allowed us to do external to those 1 2 committee structures, you'll understand why it was so difficult to get this done. 3 But we have at least 5 gotten it done now to the point where we can 6 throw this out to you folks and then let you take it from there. It is -- at the end of the day, it's going to be the way you folks 8 innovate, the way you folks put your 9 10 thinking caps on and the way you folks come 11 back to us then with whatever kinds of a 12 proposal you're going to make to us that 13 says I can in fact house the SMC work force 14 in new facilities in exchange for about 54 acres of land. 15 And you're the 16 entrepreneurs, you're the innovators. 17 have found that we know how to design 18 19 satellites very well, but when it comes to 20 putting together real estate deals, we've 21 needed a lot of help in that regard. And we 22 have gotten that, and we're going to rely on

So with that, let me again

the expertise of some of our consultants and

some of our experts as we go through this.

23

24

offer my welcome to you and offer my thanks 1 2 to you, and hopefully with the numbers of 3 people that are in this room with us this 4 morning, regardless of what happens to this 5 economy of ours -- and more specifically my 6 stock portfolio -- we're going to put together a deal here that at the end of the day is going to allow me to recruit and 8 retain these bright, young people that are 9 10 coming into the United States Air Force, and 11 I thank you in advance for that. So let me introduce a dear 12 13 friend of mine, someone that's been with us 14 through this entire process and someone that I have leaned very heavily on for a lot of 15 advice and a lot of enthusiasm, the mayor of 16 El Segundo, the Honorable Mike Gordon. 17 18 (Applause.) 19 MAYOR GORDON: Thank you, 20 General, and good morning to everyone here. 21 Let me say two things: That if you remember anything that I have 22 23 said when you leave this room, I want you to understand two things from the people of 24 25 El Segundo:

1	No. 1, this is singly the
2	most important project we have in the City
3	of El Segundo. Singly the most important.
4	Those of you who might have tracked
5	Mike Gordon of City of El Segundo recognize
6	the amount of time that I've spent fighting
7	the expansion of Los Angeles International
8	Airport, for me to say that, you recognize
9	how significant this is to the future of our
10	community. It is singly the most important
11	project we have in the city.
12	No. 2, we must get this
13	done. Failure is not an option. We must
14	get this done. Failure is not an option.
15	The relationship with this base, its
16	contribution to my community, to the City of
17	Hawthorne, to all of the communities
18	throughout Southern California is vitally
19	important.
20	This is the future, I
21	believe, of the economic opportunities for
22	my community and the South Bay. We're not
23	competing with each other. We're competing
24	with other regions in this country. We must
25	take a concerted professional approach to

- 1 this, and I will promise you this: You will
- 2 have the full assistance to the best of our
- 3 ability to work with each of you in this
- 4 room to make this project a reality. We
- 5 look forward to being your partner. We will
- 6 stay by General Tattini and the Air Force
- 7 aside throughout the entire project, because
- 8 in the end the people of the El Segundo will
- 9 provide the Air Force a 21st Century Air
- 10 Force base that will meet the needs and
- demands of our Air Force as we go forward in
- our future.
- Thank you so much for
- 14 being here. Thank you so much for your
- interest. We look forward to working
- 16 closely with you.
- 17 Let me just introduce my
- 18 staff here today. Jim, what I'd like you to
- do is stand up.
- This is Jim Hansen, who is
- 21 our economic development planning and
- 22 building director.
- Next to him is -- well,
- Jim, why don't you introduce your staff.
- MR. HANSEN: Sure.

1	Sandy Lane, our economic
2	development manager; Seimone Jurjis, our
3	building manager; and Chris Ketz, our
4	planning manager.
5	MAYOR GORDON: You have just met
6	the entire leadership of the staff. Our
7	city manager couldn't be here, but these are
8	the people that you will work with. I
9	assure you that you will have my full
10	assistance and the assistance of my
11	colleagues.
12	And again,
13	General Tattini, thank you so much for this
14	opportunity. Thank you so much for all
15	you've done for our community. We look
16	forward to working with all of you on this
17	very, very vitally important project.
18	Thank you for being here.
19	(Applause.)
20	GENERAL TATTINI: Let me
21	introduce our next speaker. The City of
22	Hawthorne and the City of El Segundo have
23	just absolute brother, brother relationship,
24	and we're really fortunate that we work so
25	closely with our friends from Hawthorne each

and every day. 1 2 Representing is the City of Hawthorne today is the city manager, 3 4 Mr. Bud Cormier. Thank you, Bud. 5 (Applause.) 6 MR. CORMIER: I've 7 always felt that if you're going to imitate somebody, you should pick somebody great. 8 9 So I'm going to begin my very brief remarks this way: 10 11 Two score and seven years ago, I was a private first class in the 82nd 12 13 Airborne, and if I found myself then in a 14 room with this much brass, I would have been scared to death. But I've come a long way 15 since then. I've gotten myself a pretty 16 17 good education with the GI Bill. I salute you for that. 18 I'm the City Manager of 19 Hawthorne, as you've heard, and what really 20 21 brought it home to me today was when I 22 walked in this room and you all stood up. I just -- you know that -- that just really 23 tickled me. 24

- everything that Mayor Gordon said, and I 1 would second it enthusiastically. I would 2 also like to assure the development 3 4 community that's here today that the City of 5 Hawthorne, like the City of El Segundo, is 6 very open to this and very enthusiastic about it. But beyond that, I want to 8 9 assure you that we have a very experienced staff in the city. We've done a lot of 10
- 9 assure you that we have a very experienced
  10 staff in the city. We've done a lot of
  11 development work. I've been with the city
  12 for 20 years. My job has been economic
  13 development for most of that time,
  14 redevelopment director for a good part of
  15 that time.

And as city manager I can 16 17 tell you that I spend a good 70 to 80 percent of my time working on development 18 projects. And my staff is just as 19 20 experienced, probably a little more 21 experienced, than I am. All of my 22 development heads at the city have been with 23 the city for a long, long time. We don't have a lot of turnover, and I think that 24 speaks well of our city and of our 25

1	community.
2	So welcome to you. I
3	agree with the mayor. This is a project
4	that needs to happen, and if there's
5	anything that I can physically do to help
6	make that happen, I will do it.
7	Thank you.
8	(Applause.)
9	COLONEL THUMSER: Thank
10	you, sir.
11	Ladies and gentlemen, we'd
12	like to declare a brief break, about ten
13	minutes, while we prepare the rest of the
14	presentations. At that point we'll give you
15	an overview of the project, and we'll get
16	into the question-and-answer session.
17	(Recess.)
18	COLONEL BRIDGEWATER: I'd
19	like to make one introduction before we get
20	to the rest of the program.
21	As you know, the you
22	may have seen the symbol XP on the Web
23	site. What that means is the director of
24	the plans and programs.
25	The next phase of our

1	presentation today will be by my boss,
2	Colonel Joseph Thumser. He's a contracting
3	person by Air Force specialty codes. He
4	will tell you all the ins and outs of our
5	solicitation process.
6	So without further ado,
7	the director of plans and programs,
8	Colonel Thumser.
9	(Applause.)
10	COLONEL THUMSER: Thank
11	you, Aaron. I'm not going to use the
12	microphone, so if anybody can't hear me,
13	please let me know and I'll do something.
14	What Aaron failed to tell
15	you is that I am an enlightened contract
16	person. I understand after years of having
17	spears thrown at me by general officers
18	that my job is to make things happen, not
19	figure out ways that things can't happen.
20	So I'm especially happy to join
21	General Tattini in welcoming you all here
22	today, because we really want to learn from
23	you. I'll get into that more in a second.
24	But before I get started
25	with my brief remarks and my brief

1	presentation I hope it's going to be
2	brief I'd like to introduce two people to
3	you, and you will get to know these people
4	professionally on an intimate level, and
5	some of you will like them and some of you
6	may not, but they are Lieutenant Colonel
7	Aaron Bridgewater, who you've seen and heard
8	speak this morning.
9	(Applause.)
10	COLONEL THUMSER: Aaron is
11	our project manager for our SAMS project.
12	And Ms. Ann Justice.
13	Ann.
14	(Applause.)
15	COLONEL THUMSER: Ann is
16	also an enlightened contracts person who is
17	assisting Aaron in making all this happen.
18	What I would like to do is
19	at the outset share with you why we are all
20	here today. And what this is today is it is
21	an industry forum. It is also really what
22	we used to call in the old days a
23	presolicitation draft RFP conference where
24	what we've done so far is put out on the Web
25	and to all of you what we refer to a draft

- request for proposals, which is an

  opportunity for us to share with you what we

  are thinking about doing.

  Okay? It is not -- the
- 5 ink on those documents have not dried yet, 6 and the reason they have not dried yet is because we want to take advantage of your expertise in having reviewed these documents 8 and preliminary plans and offer you the 9 10 opportunity to tell us where you think we've 11 done some brilliant things, and maybe on the Q/T -- not the Q/T, but where we've done 12 13 some really dumb things, because we really 14 want to tap your expertise.
- In fact, throughout this

  whole project -- actually, General Tattini

  is absolutely right -- of course

  General Tattini is always right -- we are

  keeping our feet -- we're trying to keep our

  feet in two camps. Okay?

21

22

23

24

25

One being the government,
we've gotta kinda sorta do some things the
government way, but this is supposed to be
an innovative real estate transaction. This
kind of thing has never been done in the

Department of Defense before. And we know
that if it's going to work, we have to bend
over backwards to accommodate the way the
private sector approaches these kinds of
deals. And that's what we want to do to the
maximum extent as possible, and that's why
we really want to know what you all think
about this. Okay?

Because what's going to happen after this exercise, which will kind of culminate on the 12th of April when you all send us, hopefully in writing or on the Web, your real thoughts. We're going to take all that, and we're going to go back and revisit our request for proposal, and hopefully we're going to build a lot of things into that that you all think needs to be done so that we can come out with a package that at best enables you to help us. Okay? So that's kind of what today is all about.

Let me give you one or two minutes hopefully about some major difficulties that we have, we meaning the Air Force, because our other foot is still

1	in that government camp.
2	One would think that the
3	United States Air Force with millions and
4	billions of dollars could just go out and
5	have a military construction project and
6	build a new building. Well, we have what we
7	call colors of money. None of those colors
8	are green. Okay?
9	When The Congress
10	appropriates money, it says you can spend
11	this color, orange, only for trucks; and you
12	can spend, you know, this color, red for
13	missiles; and you can spend this color
14	and we're marking each bill. All right?
15	You spend this color on this or that or
16	whatever. And there is a color of money
17	which we call operations and maintenance
18	money, which is what the Department of
19	Defense uses for things like buying
20	supplies, spare parts, anything necessary to
21	run, operate, maintain anything we have,
22	whether it be airplanes or facilities.
23	Now, this money, this
24	operations and maintenance money, and

25 also -- and also another color of money,

military construction, that is the kind of 1 2 money that we would use to build these new 3 facilities. It just happens to be that because there are so many installations 5 throughout the Department of Defense, this 6 money is very scarce. So when we go to Washington and we say we need X-million dollars to build a new facility, we have to 8 wait quite a while for the laughing to 9 stop. Okay? 10 So here we are, all these 11 facilities around us here, as 12 13 General Tattini said, kind of not 14 seismically compliant and in other things, and we've reached the point that we have to 15 do something. So that gave birth to this 16 17 concept of how about a trade, and that's how 18 it all started out. 19 20

It started out about three years ago with an internal study, how about a trade. If we can't come up with the approximately \$200 million to renovate what we've got, why don't we just downsize, right size and trade real estate for facilities. It's taken us about two years because, as

21

22

23

24

- General Tattini said, you've got to get all
  the approvals from Washington and so forth
  to get to the point where we are authorized
  to be where we are today, to talk to you and
  have the authority to actually go do this
  after we go through these kinds of
  exercises.
- 8 So that's kind of a
  9 thumbnail sketch as to why we're here and
  10 how we got here.

- What I'd like to do now is kind of share with you an overview of how we're going to go about executing this project in terms of an overview of the rules, if you will, that you all will be playing by with us to make sure that everybody gets a fair shake.
- So with that, let's have the next chart.
- Okay. Every briefing has
  got to have a wiring diagram, and this is
  our wiring diagram. We actually sit up for
  all of our major acquisitions -- when we are
  going to do a best value kind of evaluation,
  we set up a board structure, if you will.

And at the lowest level down here 1 2 (indicating), these are the actual evaluators. These are the folks -- and I 3 4 should say they will be led by 5 Colonel Bridgewater and Ms. Justice; that 6 is, the evaluation team down here. They will actually page 8 through your proposals, evaluate them against criteria which we'll talk about a 9 10 little bit later and come up with this is 11 what we think of these propositions. 12 Their next tier up, 13 however, will be a source selection 14 evaluation team chief. That would be the person like me working with some key 15 advisors from our headquarters and from the 16 17 air staff who will provide some higher level management oversight to make sure that we're 18 19 all playing by the rules. You know, things 20 are subject to interpretation. We want to make sure that while we want the qualitative 21 22 judgment of these people, we also want to 23 make sure that everything is on -- fair and square. That's pretty much the role of 24 25 these folks.

1	The next level up is a
2	council that all of these folks report their
3	findings and recommendations to. And this
4	counsel is pretty much at the
5	General Tattini level. Okay? And he will
6	have some advisors that also work with him.
7	When my boss is satisfied,
8	then we go to the decision maker, the source
9	selection authority. That is a flag grade
10	officer, a general officer, located at our
11	headquarters, and all of the information
12	that we from this level down have, you know,
13	gotten from you all, and we've gone through
14	it we've evaluated it, come up with, again,
15	our findings and our recommendations, all
16	those things get to the brief selection
17	authority, and he makes the decision as to
18	who the, if you will, successful offeror is.
19	And while this is the
20	structure, there is a rather lengthy I
21	hope it's not lengthy. There is a detailed
22	process that we go through to make sure we
23	ask all the questions that need to be asked
24	and engage in all the discussions we need to
25	with you all to make sure we fully

understand where you all are coming from, 1 2 you understand where we're coming from, and it kind of works its way up through there. 3 Talking about that 5 process, this is it. We are here. We want 6 to get down there. All right? This is -this is kind of tailored to this SAMS project. By the way, you all know what SAMS 8 means by now? Okay. Good. 9 We've issued the draft 10 11 RFP, and we're going to get, as I said 12 before, your comments back, and we're going to refine that puppy; and hopefully sometime 13 14 toward the end of May, if not sooner, 15 release the real request for proposal. At that point -- well, I 16 should say request for proposal for 17 Phase 1. What's Phase 1? 18 19 Well, we are very sensitive to not wanting to waste your time 20 21 or your money. We know it costs a lot of 22 money to put proposals together, and we will 23 know that there will be a significant number -- we hope a significant number of 24 offers for this. So Phase 1 is really what

I call a past performance evaluation and a

peek under the rug, if you will, as to what

your concept is for SAMS.

at least two past projects that you have successfully completed of 500,000 square feet of mixed use properties. We'll be asking you for lots of information relative to those projects. But again, that should be historical information, and quite candidly, what we're going to do is check those projects out. And based upon that, and based upon the feasibility of your concept -- but mostly based on your past performance -- we will make a down select to five offerors, which takes us down through here. We will down select to five.

At that point, we'll issue or we'll -- well, we will activate Phase 2 of the request for proposal, which is really now it's time for you five to spend some money and give us your detailed proposal for our facility. Okay? Because we have high confidence that these five are the ones that have the highest probability of success for

- 1 our project based on their past performance.
- 2 So now we want to talk to you about your
- 3 detailed planning for our building.
- 4 As we enter Phase 2, we
- 5 will get your proposals -- we'll evaluate
- 6 them, we'll talk to you, and we will
- 7 evaluate those proposals based upon some
- 8 evaluation criteria, which I'll go into in a
- 9 moment.
- 10 As I go through all of
- 11 this, though, anything I say today, please
- 12 remember, foot stomper, test question, here
- is the answer. It's open to your comment.
- 14 If you think when I'm standing up here
- saying doesn't make sense, we want to know
- 16 that. We really, really do.
- 17 Again, what we'll do is
- 18 take those comments and we'll go back and
- say, "Do we really have to do it this way?"
- 20 And the answer may be yes, we have to for
- some reason, but the answer could be no, we
- don't, and this is a brilliant idea. And
- 23 we'll change -- if it is a better idea and
- if we're allowed to change. Okay?
- 25 So anything I say today is

not gospel. It's where we are today subject 1 2 to your comment. Okay? 3 But anyway, so we will 4 evaluate again some kind of criteria. We 5 have some that we're thinking about. 6 Ultimately our evaluation will be wrapped 7 up, we will brief it, you know, in the hierarchy of leadership, and of those five 8 9 we'll pick one. 10 At that point, one offeror, we will enter into what we're 11 calling a memorandum of understanding with 12 13 that one offeror. At that point in time we 14 would expect that one developer to go off and start working the -- what is the right 15 terminology? The execution --16 17 COLONEL BRIDGEWATER: Due diligence. 18 19 COLONEL THUMSER: -- due diligence with the city, with other 20 21 organizations, such as -- in a short period 22 of time hopefully we can all come back to 23 the table and say okay, this is an absolute can-do deal. We sign the documents and 24

we're off and running. So that is the

Т	concept.
2	Aaron is going to get into
3	the schedule later, but we would hope to be
4	able to get down to this point, this point
5	(indicating) within about not greater
6	than not longer than a year. Okay? For
7	us that's a fast track, believe it or not.
8	We'd like to go faster. We really would.
9	Take advantage of the market conditions.
10	Next chart.
11	Oh, by the way, as I go
12	along, if you have any questions, please
13	feel free to ask them.
14	Okay. Remember I showed
15	you the org structure of leadership folk?
16	Right? Part of what we do is we brief them
17	on what we've seen, what we've evaluated.
18	Those are notational kind of charts that
19	they would see. Okay?
20	This first chart would be
21	a report card, if you will, for Phase 1,
22	our Phase 1 evaluation concerning past
23	performance. These would be the projects
24	that ya'll have given us to evaluate.

And what we're going to be

interested in is cost performance. Not 1 2 necessarily how much was the project. What 3 we're interested in is what did you tell this other facility owner that you'd bring 5 the project in for, what was your proposed project -- contract price, for lack of a better term -- and what did you bring it in for. That's what we're interested in. Now, sometimes it ain't 9 10 the same. Right? But there are always 11 reasons. What we're interested in is if it didn't come in at that cost or price, why. 12 Was it because the owner or the proposed 13 14 owner had requirements -- put more things in the building or -- and therefore it was 15 caused by him, or was there something else 16 wrong on the developer side. That's the 17 kinds of things that we want to get into. 18 19 The schedule, there again, when were you supposed to bring the 20 21 project in by, when did you bring the 22 project in by. 23 Customer assessment. Is 24 the owner of that facility, are they happy.

Pretty much are they happy. Did they get

- $1\,$   $\,$  what they asked for, and pretty much that's
- what we're interested in.
- 3 This is a big one for us:
- 4 Relationship with the city.
- 5 General Tattini, my boss, is very, very
- 6 adamant that we are members of this
- 7 community. Los Angeles Air Force Base is a
- 8 member of this community. We are neighbors,
- 9 and we are good neighbors.
- 10 So just what these three
- 11 gentlemen briefed this morning, we are
- 12 lock-stepped with our city partners. If our
- 13 city partners have a problem, we have a
- 14 problem. That's where we're coming from on
- 15 that. So we are very much interested in
- 16 what your track record is with your past
- 17 city partners. Okay?
- So this is -- in Phase 1,
- 19 these things right now are the most
- important to us, because we think past
- 21 performance is a good indicator of success
- for our project.
- 23 After that, of lesser
- importance, is more or less a preliminary
- 25 project concept evaluation for our project.

- We're interested in things like what's the 1 2 financial strategy you're thinking about to make this happen. If there's a difference 3 4 between property value and facility to be 5 built value, what is that gap in your 6 estimation, and how can that be closed. Because again, my ability to go get money, the more dollars I have to ask for, the 8 greater the risk it is for me to execute 9 this project -- because those colors of 10 11 money, remember, are scarce, that the Air Force has access to for these kinds of 12 13 projects? 14 So if there's a gap in your view, what is that gap? How can it be 15 closed? We want to tap your expertise, your 16 17 business innovation to make it happen. Siting and designer approach 18 19 Colonel Bridgewater will get into that 20 later. 21 SMC corporate integrity.
- We're a team here in Space & Missile Systems
  here at Los Angeles Air Force Base, not just
  internally; we're also team with Aerospace
  Corporation on the other side of Aviation.

So it's very important that we are within

close proximity to all of our teammates and

all of our partners. So we are very much

interested in, when you come up with your

concept for SAMS, how do we maintain -- how

does your approach maintain that corporate

integrity.

Proposal risk assessment.

8

18

- 9 That's really our take on okay, we understand what it is you're going to want 10 11 to do and we like it, but what is the probability of success. I mean, it might 12 13 be the greatest thing since sliced bread 14 but, if you don't have a knife and can't slice it, what good is it. So what is the 15 probability that you're going to be able 16 to make it happen. Okay? So that's 17
- 19 Remember, while all
  20 developers want to play, submit a proposal
  21 on this, we're going to down select at the
  22 end of this, five.

Phase 1.

- MS. JUSTICE: You want to explain the BGYR.
- 25 COLONEL THUMSER: Oh, I'm

1	sorry.
2	These at the time we
3	couldn't come up with colors so we put the
4	letters up here. This stands for blue,
5	green, yellow, red. So what our leadership
6	will see are not letters here. They'll
7	actually see colors.
8	Well, what does red mean?
9	Red means there's a big problem here. Like,
10	for example, on this project, when we looked
11	at cost performance, when the project was
12	complete it came in at triple the price and
13	was all the developer's fault. That's a red
14	for us. Okay?
15	Yellow came pretty much
16	close to the mark; you know, maybe there was
17	some good reasons why, but, you know, it
18	wasn't necessarily as promised.
19	Green, right on the money.
20	Blue, you know, did some
21	really creative things and brought it in
22	under cost or under contract price or
23	whatever.
24	Schedule, same thing. Red

is really bad; yellow is marginal kind of

thing; green is on the button; blue is 1 2 really good. And so would be the same for those other items as well as down here. 3 Now, we're only going to 5 ask you for two projects, but if you got 6 more, we're interested. Okay? Next chart. Okay. Phase II. Remember 8 we're down to five now, and there are three 9 areas that we're interested in. The first 10 one in -- in terms of evaluation. 11 The first one is cost to 12 the Air Force. This is the most important 13 14 factor of all the factors we're going to use in Phase 2. Because again, we're talking 15 about affordability to the government. 16 more money I have to go ask for, the harder 17 it is for me to make this project a reality. 18 19 That's not to say that a proposition that requires me to go get money 20 21 is going to lose. That's not the case. 22 Somebody might come in with a facility that 23 waters your eyes, and it is the best value deal and somehow I'm going to get it for a 24

third of what I should pay for, but I have

- 1 to come up with a third, land value plus a
  2 third.
- The source selecting

  authority might decide this is the best

  value proposition. So, you know, we might

  say because it is the optimum best value

  solution, we'll go fight for that money real

  hard, and if we can convince The Congress we
- Or somebody might come in

  with a zero dollar deal with a good

  facility, and that might be the best value

  approach after we get through all the

  evaluation.

might get it. Okay?

9

24

25

I'm not going to stand 15 here today and tell you that a zero dollar 16 17 deal wins. I'm not going to stand here and tell you that a deal where I come up with 18 19 five, 10, 15, 20, \$80 million is a winner. 20 I don't know who the winner is. Depends on 21 the best value assessment we reach on your 22 concepts, your proposals against the 23 criteria that you're seeing now. Okay?

Air Force means in this regard.

So that's what cost to the

1	Financial strategy. This
2	gets into a lot more detail in Phase 2 than
3	in Phase 1. Now we're not just interested
4	in ballpark kinds of stuff. We're
5	interested in the real hard numbers that
6	will make the deal work.
7	Where are you getting the
8	money from for your capital investment?
9	Where do you expect me to get the money from
10	if I have to? Are you going to be able to
11	team with our city partners in some way in
12	terms of some kind of some kind of equity
13	deal or whatever to close the gap? What is
14	the financial strategy? This is the second
15	most important item we will be looking at.
16	Next chart.
17	Now we start getting into
18	the facilities. Okay? And against these
19	against these building systems, finishes,
20	capability, core shell, that kind of stuff,
21	there are two criteria against which each
22	one of these will be evaluated.
23	And that is do you
24	understand what we need what's the
25	specific wording for that?

1	MS. JUSTICE:
2	Understanding of requirements.
3	COLONEL THUMSER:
4	Understanding of requirement. In other
5	words, building systems. Based upon your
6	reading our documents, do you understand the
7	requirements?
8	And once you've done that,
9	the next question is the soundness of your
10	approach. Will your approach make that
11	happen? Okay?
12	Those are the two
13	questions we will ask for each one of these.
14	All right? And against that we will arrive
15	at color ratings, just as we did before.
16	Okay?
17	Now, relative to all of
18	this criteria this is not a secret. All
19	this stuff is explained in detail in the
20	RFP. So you will know exactly what we are
21	going to be looking at. It's important that
22	you know that. So you can best put your
23	proposal together to communicate to us what
24	it is you're doing. Okay?
25	Once we get through

- 1 facility capability, we will also then 2 evaluate the next factor, which is project 3 management. There we're interested in do 4 you have the management infrastructure to 5 make this happen, meaning do you have the 6 expertise in terms of management to get the availability, to allocate and control manpower to successfully bring this project 8 9 to completion. 10 Do you have a project execution strategy? I mean, is -- does --11 when you talk about project execution, does 12 13 offeror A simply say, "Trust me, I'm going 14 to do it," or does he have a concept on how he's going to marshall his resources, put 15 them in place, control them throughout the 16 project so that some day it will be a 17 turnkey operation and we can walk through 18
- Next chart.

the door. Okay?

- Okay. That's pretty much
  the criteria that I wanted to share with
  you.
- I also wanted to share
  with you some things about doing business

- 1 with the government, doing business with the
- 2 Air Force, put my contract's hat back on.
- 3 Some of you may have done business with us
- 4 before, so I apologize if this is going to
- 5 be old information for you, but it is
- 6 important that we all be on the same level
- 7 here.
- 8 This project is not a
- 9 typical Air Force approach to doing
- 10 business. Okay? This project is not
- 11 currently governed by the Federal
- 12 acquisition regulations. It's not a
- far-based transaction; therefore there's not
- a lot of -- there is not a lot of FAR-ism in
- this.
- We have, however, used a
- 17 lot of philosophy from the Federal
- 18 acquisition regulations, because some of it
- 19 we think is good business sense. But there
- again, if there's something in there that
- 21 you think is dumb, tell us. If we could do
- it differently, we're interested in hearing
- that.
- 24 As General Tattini said,
- 25 we did require special legislation to do

this. It was in the FY-01 Authorization Act 1 2 that allowed us -- gave us special 3 permission to enter into this project. What can you expect from 5 us? Any information that you need about 6 this project, and if we haven't already provided it to you, tell us what you need and we will give it to you. We will give it 8 to you unless there's some statutory 9 10 requirement as to why we can't. But I will 11 share with you that if I give it to you, I'm also going to give it to everybody else 12 13 because it's probably needed to bid the 14 project. Okay? Having said that, my 15 giving you, you know, complete information 16 17 about us, what I won't do is I will not disclose any proprietary information about 18 19 your proposal to any of your competitors. I 20 won't do that. Okay? But please bear in 21 mind, if you ask me a question that has a 22 bearing on your deal, you know, I won't talk 23 about your proprietary information, but if it's public information, I'm required 24 25 because I'm a sovereign to share my answer

- 1 with everybody. So let's be clear about
- 2 that.
- 3 What you can expect from
- 4 us is a fair, qualitative evaluation based
- on the rules that we specify in the RFP. We
- 6 are death unto ourselves about following our
- 7 own rules. There are many government people
- 8 that get mad at that hierarchy I showed you
- 9 in the first chart because time and time
- 10 again we go back to our people and say, "You
- 11 haven't followed the rules. Go back and
- 12 redo this part of the evaluation because you
- didn't follow the rules." Put your own spin
- on it. We don't do business like that.
- 15 Everybody is treated the same. So you can
- 16 expect that from us; a fair, qualitative
- 17 evaluation based on the rules.
- 18 I spoke to you about
- 19 concern for our neighbors. That is real.
- 20 That is real. In fact, I think, as
- 21 General Tattini and the other local
- officials shared with you, they will be
- 23 engaged together on this project throughout
- the project. We are professionally embedded
- 25 together. I can't overestimate that.

1	Unique practices. Well,
2	we are the sovereign, and as much as we
3	would absolutely positively like to do this
4	deal the way you do business every day, we
5	can't do that, because we are the government
6	and there are some things that we can't get
7	out of. So as a part of the sovereign, we
8	may have to respectfully come back to you
9	and say, "Well, we can't take advantage of
10	this suggestion." But if we can't, we'll
11	try to tell you why.
12	Equitable treatment of all
13	offers I told you that. Everybody is going
14	to have everybody is going be on the same
15	even playing field. I want to absolutely
16	guarantee you that, because as much as we
17	want this project, we also have an
18	obligation to maintain our reputation of
19	fairness. Because if we screw up on this
20	and the next time we do business on
21	something down the road, there will be that
22	question mark in your minds that you cannot
23	trust them. Well, you can trust us.
24	So that's all that I
25	wanted to share with you. Before I turn the

Τ.	lioor over to Aaron, do you have any and
2	of course there will be questions after.
3	SPEAKER: In terms of a
4	BRAC shipment placed down, are you going to
5	give a pink slip?
6	COLONEL THUMSER: Let me
7	that's a very good question. Let me be
8	absolutely specific on this.
9	No. 1, in order for BRAC
10	to happen, there has to be a special act
11	passed by The Congress, signed by the
12	President, to authorize another BRAC round.
13	If it were to happen, if those laws were to
14	be signed, we would then start with a
15	study. Okay? There is absolutely no law,
16	no act on the books about any BRAC round
17	whatsoever.
18	Now, if and when that were
19	to happen, again, all military installations
20	would then go on the table, not just us.
21	But right now, today, as far as we know,
22	there is no act concerning BRAC. I like
23	maybe some of you have heard about some
24	discussion on TV, but short of that, zero.
25	And one other point, if I

1	may. We are not doing this project for any
2	reason associated with BRAC. We are doing
3	this project because we are concerned about
4	the facilities for our people. These
5	facilities are not seismically compliant. I
6	would refer you to the I will use the
7	term disaster at Homestead Air Force Base
8	after Hurricane Andrew. I mean, that
9	installation was so devastated that when
10	they went in there looked at the cost to
11	repair everything, they said it's not cost
12	effective. It's cheaper to close it. And
13	that's what they did.
14	So that aside, you know,
15	the safety and well-being of our work force
16	is our major concern. Seismic and safety
17	compliance. That's why we're doing this.
18	Very good question, sir.
19	Any others? Yes, sir?
20	SPEAKER: Do you
21	specifically have authorization and/or
22	appropriation from Congress for any funds
23	for military construction?
24	COLONEL THUMSER: Short
25	answer, no.

1	The longer answer is what
2	we have in the legislation is authorization
3	to trade real estate for facilities, and we
4	also have the authorization the authority
5	to enter into a ten-year not to exceed
6	ten-year lease.
7	COLONEL BRIDGEWATER:
8	Ten-year lease.
9	COLONEL THUMSER:
10	which will culminate into us having title to
11	all properties. Now, let me go further.
12	Did, in that legislation, they give us the
13	money for that ten-year lease? No, they did
14	not.
15	Now, there's something
16	else. I don't know if you're going to get
17	into this or not. There's something else
18	called scoring, which is a policy, a part of
19	the Office of Management and Budget, which
20	says if you have a ten-year lease and your
21	ten-year lease is \$1 million per year for a
22	total of ten years I'm just picking
23	number here, okay? then in year one of
24	that lease, you, Mr. Air Force, who are
25	leasing this facility, have to take

- 1 \$10 million and put it aside. You gotta
- fence it. Even though you're not paying for
- 3 it up front, you've got to put it away.
- 4 Because we don't want to be obligated in the
- 5 out years for having to come up with that.
- 6 Okay?
- 7 Well, what does that do to
- 8 me when I'm lucky if I got a million dollars
- 9 to pay for the first year. So that's a
- 10 significant problem for us also. It's not
- 11 to say we can't work it. That's the corner
- 12 that we get back in.
- 13 Did you have something else,
- 14 sir?
- 15 SPEAKER: Legislation that you
- 16 have already had -- the enabling legislation
- 17 that you have already passed, you stated
- 18 that there was an authorization for the
- 19 trade of land as well as the leasing action.
- 20 In regards to the leasing
- 21 action, when you go back to Congress, how
- long do you think it will take to obtain the
- funds necessary, and is the Air Force
- 24 willing to enter into a capital lease and
- set those funds aside in year one?

1	COLONEL THUMSER: I'm
2	getting the high sign that
3	Colonel Bridgewater is going to go into that
4	in detail. So if I may, sir, can we put
5	that on the back burner? If we don't
6	satisfactorily answer it, please tell us.
7	SPEAKER: That's all
8	right.
9	COLONEL THUMSER: Yes,
10	sir?
11	SPEAKER: There has been
12	talk that other facilities, other states
13	New Mexico, for example have tried to be
14	putting dubs on moving the L.A. Air Force
15	Base to, say, Kirtland.
16	Is there can you give
17	us any light on that? Because that
18	obviously affects what the mayor was saying
19	in terms of how important this is to the
20	viability, the economic viability of the
21	area.
22	COLONEL THUMSER: Okay.
23	Up front let me share with you what you
24	already know; that is, as military officers,
25	we are apolitical We do not concern

ourselves in any political discussions. 1 2 take no political position on anything. 3 follow the guidance and direction of our 4 superiors, both military and civilian. 5 So let me tell you what I 6 know relative to this, which is factual information, of which of course I take no position. To our knowledge, a letter 9 was sent from the senator from New Mexico to 10 the Secretary of Defense. I can't recall 11 verbatim what that letter said; however, it 12 was something to the effect that what the 13 14 senator suggested was that the Air Force should look at and consider relocating to 15 New Mexico, to Kirtland Air Force Base, in 16 lieu of doing the SAMS deal. 17 When our folks --18 obviously stuff rolls downhill. So 19 ultimately we get asked to provide 20 21 information so that the appropriate 22 authority can respond to that inquiry. 23 Our research -- that is,

the research of our legal staff -- indicates

that because of the law associated with the

24

conduct of a BRAC, if a military 1 2 installation is to relocate out of the area of where it is currently located, in order 3 4 to do that, requires BRAC legislation. 5 So if -- if everyone in 6 the Department of Defense and everyone on the hill wanted Los Angeles Air Force Base to move to Kirtland, if that were the case, 8 in order to do that, it would have to pass 9 BRAC legislation. There is no BRAC 10 legislation. Okay? 11 12 Yes, sir? 13 COLONEL BRIDGEWATER: Can 14 we do the questions and answers at the end? COLONEL THUMSER: Oh, I'm 15 16 sorry. At this time let me turn 17 the floor over to Colonel Bridgewater. But 18 19 again, before you leave the room, we want to make sure all of your questions are 20 21 answered. So at the end of Aaron's pitch, 22 just, you know, let them fly. 23 COLONEL BRIDGEWATER: And this will be real fast. And this is kind of 24

the bidding for the day, the project

- 1 overview, questions and answers.
- 2 I just wanted to point out
- 3 that we've arranged for a bus tour if you
- 4 want to do a windshield tour of the Area A,
- 5 Area B and Hawthorne facility.
- 6 I also want to point out
- 7 that Sun Valley property is about 25 miles
- 8 from here. It's kind of a hassle for us to
- 9 get there. It takes about three hours of
- 10 our day to get there, show you the place and
- 11 get back. So to make it easier on us, what
- we've done is we'll have an open house
- 13 tomorrow. The address is -- there's some
- 14 maps in the back that kind of give you
- 15 directions. The address is 10888 La Tuna
- 16 Canyon Road, Sun Valley. We'll be there
- 17 between 9:00 and 12:00 o'clock tomorrow if
- 18 you want to see the facility.
- 19 Very quickly, we've
- 20 covered this as kind of what we want to do
- 21 with the project.
- Next slide.
- This is the enabling
- legislation. I'll step away from the mike.
- 25 This is it. The

legislation in its entirety is on the Web 1 2 site. I believe it's Appendix F. It's a 3 real short read, about a page and a third. 4 I strongly recommend that you read that. 5 That's pretty much our contract with 6 Congress. Whatever we do in terms of your proposal, there will be a lawyer looking at that legislation, looking at your proposal. 8 If it doesn't match the proposal, it's DOA. 9 I'll mention that there's 10 11 authority to do a ten-year lease to own. Basically, as Colonel Thumser mentioned, 12 13 right now it looks like that's probably 14 going to be subject to scoring by OMB rules, although we are going to continue to press 15 that envelope and see if there's some way 16 17 that we can structure something so we don't have to score it. But right now the intent 18 19 is probably count on scoring. 20 In terms of getting 21 special authorization, since leases are 22 operations and maintenance funding, we would 23 not necessarily have to go back to Congress 24 to get a new appropriation. The Air Force

could decide to take money from its existing

- 1 O&M sources to fund this lease. But once
- 2 again, that is somewhat problematic when we
- 3 do that.
- 4 Next slide.
- 5 Those are the four
- 6 properties that are mentioned in the
- 7 legislation. There's Area A, which is the
- 8 property we're on right now, about 42
- 9 acres. The Hawthorne property, which is
- about a mile and a half due south of us on
- 11 Aviation, it's about 13 acres.
- 12 Area B, the blue one,
- that's the one we would prefer to relocate
- to or consolidate on. However, Area B, we
- also have the authority and the legislation
- 16 to outlease or trade away that property as
- 17 well, although because of our relationship
- 18 with Aerospace, as you'll probably read in
- 19 the RFP, that's somewhat problematic if we
- do that.
- 21 And then the fourth
- 22 property is the Sun Valley property. That
- one is actually -- it's about 3.7 acres.
- 24 There's about a 59,000 square foot facility
- on that. That's probably the -- one of the

1 few facilities that is -- probably most of 2 our input from some of the real estate brokers that have looked at it said that 3 4 property is probably reusable. So we didn't 5 expect a lot of redevelopment in Sun Valley 6 largely, just some tenant improvements, and it's probably ready for a new client. Next slide. 8 9 Again, this is Area A, seven facilities. When you look at the 10 11 minimum project, the bulk of that minimum is the square footage associated with us 12 13 relocating off of this property. Here the 14 aerial. These are on the Internet, by the 15 way. This is the Aerospace 16 Corporation. Once again, it's real critical 17 that we be near them. 18 Next slide. 19 20 The property in Hawthorne, 21 which is actually in the legislation, listed 22 as the Lawndale annex, there's which has a

30,000 square foot facility. There is an RV

parking lot that we would like to have

relocated to Los Alamitos, and there's a

23

24

1	palliferd that we would like to have
2	relocated onto Area B.
3	One thing about this
4	property, this is probably one of the
5	properties that we would entertain vacating
6	early; that is, vacating before our facility
7	was completed. We're interested in offering
8	that to developers if it's beneficial
9	because it's a certain amount of land, and
10	we're very sensitive to time value of money,
11	your cash flows. The thought was if you
12	could start developing this property sooner
13	rather than later, it may help your project.
14	But once again, that really is dependent on
15	your strategy.
16	Next slide.
17	What we're looking for
18	from the development community is we really
19	want to minimize our expenditures, our
20	out-of-pocket costs. We're really looking
21	for developer teams or developers or teams
22	with sound past performance.
23	Probably the foot stomper
24	is we really need some innovative

out-of-the-box thinking. When you look at

- the RFP, you will see that we developed a

  plan of what the footprint of the -- our

  facility may look like on Area B.

  I want to state that that

  was really done for purposes of

  demonstrating that the project was
- executable. When we go to the Pentagon and places like that and they say, "Well, what
- 9 do you want me to do," we say, "Well, we 10 don't know. We're going to submit to the
- 11 developers and figure that out. That
- doesn't sell well.
- So what we had to do is we
  developed a plan to prepare a cost estimate
  on that plan. That's what -- that plan is
  in the RFP. There's no extra points for
  executing that plan as is. You know,
- 18 innovation is kind of key to this.
- 19 We're looking for
  20 strategies that will help balance the equity
  21 between our land value and what it costs for
  22 the new facility.
- 23 The other thing is we want 24 to get as close to a turnkey facility as we 25 possibly can. We, the Air Force, will look

to this developer or this development team 1 2 to come to the table with a designer, with 3 furniture, with communications, et cetera so we can come to close as possible to just 5 moving into the facility. 6 So I guess that -- from that you can kind of tell that we, the Air Force, won't be hiring an architect/engineer 8 or necessarily going out and hiring a 9

systems furniture supplier. We will look

for the developer to do that. That's about

Next slide.

it from that standpoint.

10

11

13

19

- This is the concept -this is just a real brief overview of about
  what is happening on Area B. This is our
  commissary. You'll see the BX, the base
  exchange. This is an existing facility. A
- This is LGS base supply
  warehouse. CDC is our child development
  center, which is basically a day care
  center. Here we have the gas stations.

fitness center or a gym.

The rest represents two
military construction projects that are

either under construction or have been authorized and appropriated in the military construction program. There is a new clinic under construction right now. A new fitness center is in the selection process and will be awarded within the next few months. So at the time that SAMS kicks off, this is somewhat the floor print that we'll be dealing with. Next slide. 

The other thing that is approved is that there's a new base exchange that's been approved this past January.

That base exchange will demolish some of the facilities here. Conceptually that's what we were looking at for the SAMS project, about 580,000 square feet. This is our minimum requirement, by the way. Somewhere around a 1,000-car parking structure. We anticipate they'll have to be some sort of temporary preengineered building to house some of the base supply functions that will have to be demolished to facilitate the construction, and we're looking at a ballfield right here.

1	Next slide.
2	MS. JUSTICE: Before we go
3	to the next slide, do you want to talk about
4	the area outside there, the force protection
5	thing, or do you have another slide where
6	you talk about the parking solution? Or you
7	don't want to get to that?
8	COLONEL BRIDGEWATER: Not
9	at this point.
10	MS. JUSTICE: Okay.
11	Sorry.
12	COLONEL BRIDGEWATER: Then
13	the next thing is to replace the remaining
14	facilities. In a perfect world, we'd like
15	to do it in this project. If we can't do
16	it, then we'll go through the standard
17	military construction programs to build a
18	new air base group complex and a new
19	logistics facility.
20	Next slide.
21	In terms of briefly the
22	time lines for the first phase, we're trying
23	to issue the RFP final in May, see proposals
24	in July, evaluate them through the summer,
25	and honefully close out to Phase 2 in the

- early fall of this coming year.
- Next slide.
- 3 The Phase 2 select
- 4 process. And then lastly, Phase 3.
- 5 So we would really like to
- 6 be in the design/construction mode by no
- 7 later than June of 2002.
- 8 Next. For the Q and A,
- 9 we're asking that -- this is kind of a --
- 10 your opportunity to ask the Federal
- 11 Government questions, incentives, zoning,
- 12 that kind of thing. We ask that you work
- 13 with the cities. El Segundo is here to
- answer questions if they can today.
- One thing we can't do is
- discuss sensitive information, like our cost
- 17 estimates. The legislation, if you read it,
- 18 we have done a land appraisal. The
- 19 legislation prohibits us from disclosing the
- 20 results of that land appraisal to anyone
- 21 except the final selectee.
- 22 And questions, we'll
- answer what we can today, and all questions,
- 24 eventually we'll post those on the Web site
- 25 for everyone to see.

1	Next slide.
2	And of course this is our
3	Web site. It's on the brochures that are
4	available. Any communications that we're
5	going to be doing on this project will be
6	through the Web site. We'll ask that you
7	check it frequently, and you may have
8	noticed that the RFP is there. That is how
9	we will issue the RFP. We won't do formal
10	mailings. You'll download everything from
11	the Internet.
12	That's it. I think we
13	I think I interrupted the gentleman here.
14	If you want to ask your
15	question.
16	SPEAKER: The Colonel
17	mentioned that this program would not be
18	under FAR and would not be under BRAC, but
19	we are following some of the lessens learned
20	in both programs.
21	Wouldn't you anticipate,
22	at least under BRAC, that the due diligence
23	aspects of this, the transfer of property,
24	private ownership and so on would require
25	some environmental consideration in terms of

1	the condition of the properties and so
2	forth?
3	COLONEL BRIDGEWATER:
4	We're doing an environmental assessment
5	now. We've done an environmental baseline
6	study. Eventually the intent is we'll make
7	that environmental baseline study available
8	over the Internet.
9	SPEAKER: What about
10	hazardous waste issues such as asbestos and
11	lead paint?
12	COLONEL BRIDGEWATER: One
13	of the things that the developer will do
14	when they develop this property is that they
15	will do a SEQA on the property. The
16	disposal of these facilities that we're on
17	would really be under the jurisdiction of
18	SEQA more than the Federal Government in
19	the NEPA process.
20	SPEAKER: I'm from the
21	local area audit office, and I've seen plans
22	for L.A. Air Force Base evaluating proposals
23	and stuff like that.
24	Do you have any plans to
25	bring out outside agents like a contract

1	audit agency to evaluate the cost?
2	MS. JUSTICE: We're
3	looking at it. I'm going to be talking to
4	the liaison here to see whatsupport that
5	they can provide. This is kind of not their
6	normal kind of action, too, but we're
7	definitely going to talk to them.
8	SPEAKER: Okay.
9	COLONEL BRIDGEWATER: Yes.
10	SPEAKER: Colonel, under
11	SEQA, then, there would be public outreach
12	and A schedule of notifications and so on.
13	Is that the plan for this project as well?
14	COLONEL BRIDGEWATER: Yes.
15	But then, once again, if it's a property
16	that will be conveyed and redeveloped by the
17	developer, the developer would have the lead
18	on that.
19	SPEAKER: Okay.
20	COLONEL BRIDGEWATER: In
21	the back.
22	SPEAKER: You started off
23	by stating that enabling legislation
24	exempted you from FAR. As far as being
25	exempted from that, they're the one that

protects bidders, offerors from having 1 2 proprietary information given out to other 3 people. In that particular 5 instance, is our proprietary information 6 also protected from --MS. JUSTICE: Actually, I thought I would take, but I'll let our 8 9 attorney, Mr. Jim Harley, take that one. MR. HARLEY: Yes, it 10 11 applies to everything really. It has nothing to do with this specific 12 13 legislation. And not only proprietary 14 information protected by the FAR, but protected by other laws as well. We would be 15 honoring all those laws, and no proprietary 16 information would be released without their 17 18 knowledge. For example, if we have a 19 20 FOIA request, we would have to go to you by 21 law and ask you is this information 22 proprietary and do we have the basis to withhold it. We'll make a decision once we 23 have conferred with you and come to a 24

conclusion about that.

1	COLONEL THUMSER: If I
2	could offer a clarification. I know a
3	portion of that question.
4	The question was prefaced
5	with the belief that the legislation, which
6	has been passed, excused us from the use of
7	the FAR. That is not in the legislation.
8	The legislation did not address that issue.
9	However, our basis for
10	this being a non-FAR based project is
11	because this is not an acquisition. This is
12	a real estate transaction.
13	Now, what complicates the
14	FAR issue is whether or not I have to use
15	certain colors of money eventually. If it
16	goes in the direction that I may have to use
17	certain colors of money, then we may find
18	ourselves back in the use FAR mode.
19	But right now, the way
20	this is envisioned, and the way it ought to
21	play out, this ought to be a non-FAR based
22	bid. But pretty much the way we have
23	structured this, we are utilizing the FAR
24	philosophy on certain things because we
25	think it's appropriate. If it does turn

1	into a FAR-based acquisition, it ought to be
2	transparent to you, but I can't guarantee
3	that.
4	SPEAKER: What about
5	Davis Bacon?
6	COLONEL BRIDGEWATER:
7	Davis Bacon is one of the things that we'll
8	have to comply with. We asked the question
9	can we get a waiver from that, and the
10	answer was no.
11	Yes?
12	SPEAKER: Are the
13	properties that we can trade restricted just
14	to the ones you've described here, or can
15	other properties that the Air Force owns be
16	traded?
17	COLONEL BRIDGEWATER: The
18	legislation addresses specifically those
19	four properties.
20	Yes?
21	SPEAKER: Would the
22	Davis Bacon apply to the properties being
23	transferred to the development team to
24	develop non-Air Force properties?
25	COLONEL BRIDGEWATER: No.

- 1 That's only for the Air Force facility.
- 2 Once we convey those properties, the
- 3 Federal Government is essentially out of
- 4 it.
- 5 COLONEL THUMSER: So for
- 6 clarification, if a developer wanted to
- 7 build Area A out, that would not be
- 8 Davis Bacon; but if they were building to be
- 9 Air Force facilities on Area B, Dave Bacon
- would apply.
- 11 COLONEL BRIDGEWATER:
- 12 Right. If the Air Force will own them in
- the end, plan on using Davis Bacon.
- 14 Any other questions?
- With that, that completes
- our program. Thank you.
- 17 COLONEL THUMSER: Let me
- just foot stomp one more time. Anything
- 19 you've heard today, if you got a better
- idea, we really want to hear it.
- 21 MS. JUSTICE: Or
- 22 questions. If you have any
- 23 questions.
- 24 COLONEL THUMSER: Or if
- 25 you have any further questions, we want to

1	hear t	hose,	too.		
2				(The meet	ing adjourned
3				at 10:36	a.m.)
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					

1	STATE OF CALIFORNIA )					
2	COUNTY OF LOS ANGELES )					
3						
4	I, Margie Arevalo, C.S.	R. No.				
5	9621, RPR, a Certified Shorthand	Reporter in				
6	and for the State of California,	do hereby				
7	certify:					
8	That the foregoing proc	eedings				
9	were taken before me at the time	and place				
10	therein set forth; that the proce	edings were				
11	recorded stenographically by me and was					
12	thereafter transcribed under my d	irection;				
13	that the foregoing is a true reco	rd of the				
14	proceedings.					
15						
16	In witness whereof, I h	ave				
17	subscribed my name this 12th day	of April,				
18	2001.					
19						
20						
21	 Certified	Shorthand Reporter				
22	No. 9621	Table 1 Carrier				
23						
24						